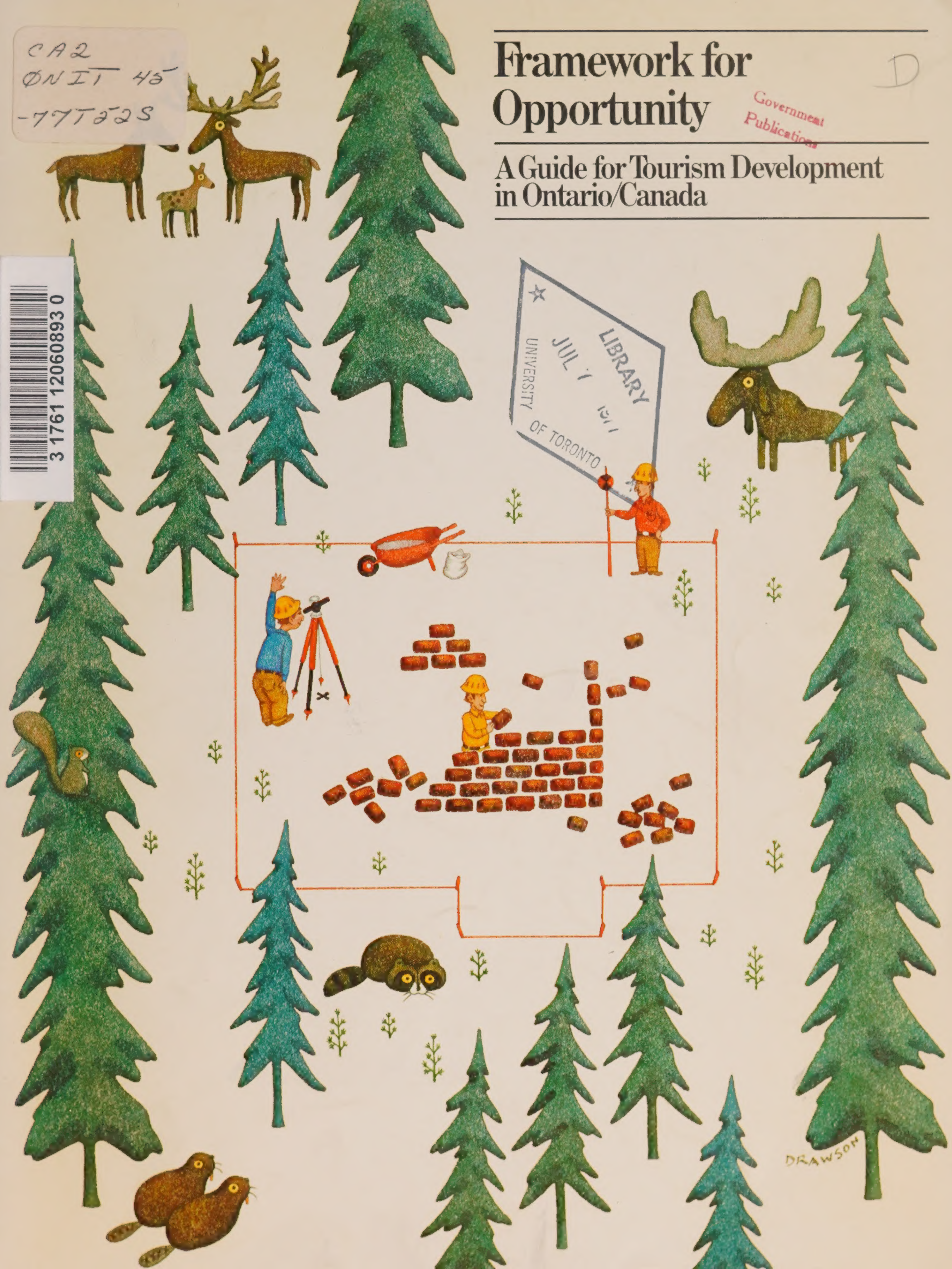
Framework for Opportunity

A Guide for Tourism Development in Ontario/Canada



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Introduction

The tourism industry in the Province of Ontario is a powerful social and economic force. Direct employment amounts to about 165,000. Annual revenues total about $2.6 billion of which some $900 million flow in from the U.S. and abroad.

The Ministry of Industry and Tourism of the Province of Ontario has recently commissioned a consulting study entitled "Tourism Development in Ontario: A Framework for Opportunity". This study was carried out by the firm of Balmer, Crapo and Associates, Incorporated, Waterloo, Ontario. In the pages to follow, a synopsis of "Framework for Opportunity" is presented. It is hoped that after having reviewed this, you will request the full two volume study to assist you in planning for profitable investment in tourism.

"Framework for Opportunity" is an important forward step by the Ministry of Industry and Tourism. This study organizes a mass of province-wide data and uses it as the foundation of a strategy for tourism development. "Framework for Opportunity" provides initial guidelines for tourism investment in Ontario with special emphasis on opportunities for the private sector. This study suggests where tourism development should take place; what opportunities should be developed; and how development should take place. In addition "Framework for Opportunity" will assist planners in the public sector who are concerned with healthy development of tourism.

How "Framework for Opportunity" was Organized

Four basic steps were involved.

1. An examination of the resource components affecting the current and future supply of tourism opportunities.

2. A detailed analysis of the demand for tourism – tourist origins, destinations, spending, activities.

3. A review of general and specific tourism development guidelines.

4. Identification of 17 "Tourism Development Zones" – with suggested themes and activities which might be implemented in each zone.

Tourism Resources

"Framework for Opportunity" examines Ontario's tourism resources as one step in the process of identifying areas best suited for development, and activities most appropriate for development in each of these areas.

Seven components were considered.

A. Natural Features

Natural features include major tourist attractions such as Niagara Falls. Natural features provide the base for many outdoor activities such as skiing and boating, and they furnish a pleasant background to enhance the tourism experience. The province possesses impressive water resources from the St. Lawrence River to the Lake of the Woods, difficult to match anywhere in the world; a significant supply of fish and game which support important tourism activities. Hunting is an important contributor to business in the off-peak season.

Ontario's extensive shorelines create an important resource for swimming, boating, cottaging, and viewing. The Rideau-Trent-Severn Canal system represents the backbone of a unique mixture of natural, historical and archaeological features. There are other boating routes including the Ottawa River, St. Lawrence River, the north shore of Georgian Bay and the eastern shore of Lake Huron. There is significant tourism development potential linked to recreational boating in the province.

Over 120 parks operated by various levels of government attract some 12 million visits of which about 30% originate outside the province. In addition to these parks, there are some 290 Conservation Areas.

Climatic conditions vary significantly throughout the province. This contributes to a corresponding seasonality in tourism markets.

B. Attractions and Events

Attractions and events provide significant motivation for people to travel. They also provide an excellent medium through which cultural and historical values can be experienced. (e.g. Old Fort William, Upper Canada Village, Oktoberfest).

Most major attractions are found in or near major urban areas since a sizeable local market is required to support them. This will continue to be the case in the future.

Historical or ethnic themes may be used to unify various attractions and events in an area, at modest cost. This would permit better promotion and encourage longer stays thus increasing revenues.

"Framework for Opportunity" describes the principal attractions and events throughout the province.

C. Accommodation

The use of overnight accommodation is a key element in increasing tourism expenditures. The overnight tourist purchases food and lodging (unless staying with friends or relatives) and is more likely to spend on shopping and entertainment. The supply of accommodation is generally sufficient although there are seasonal shortages particularly for the vacationer.

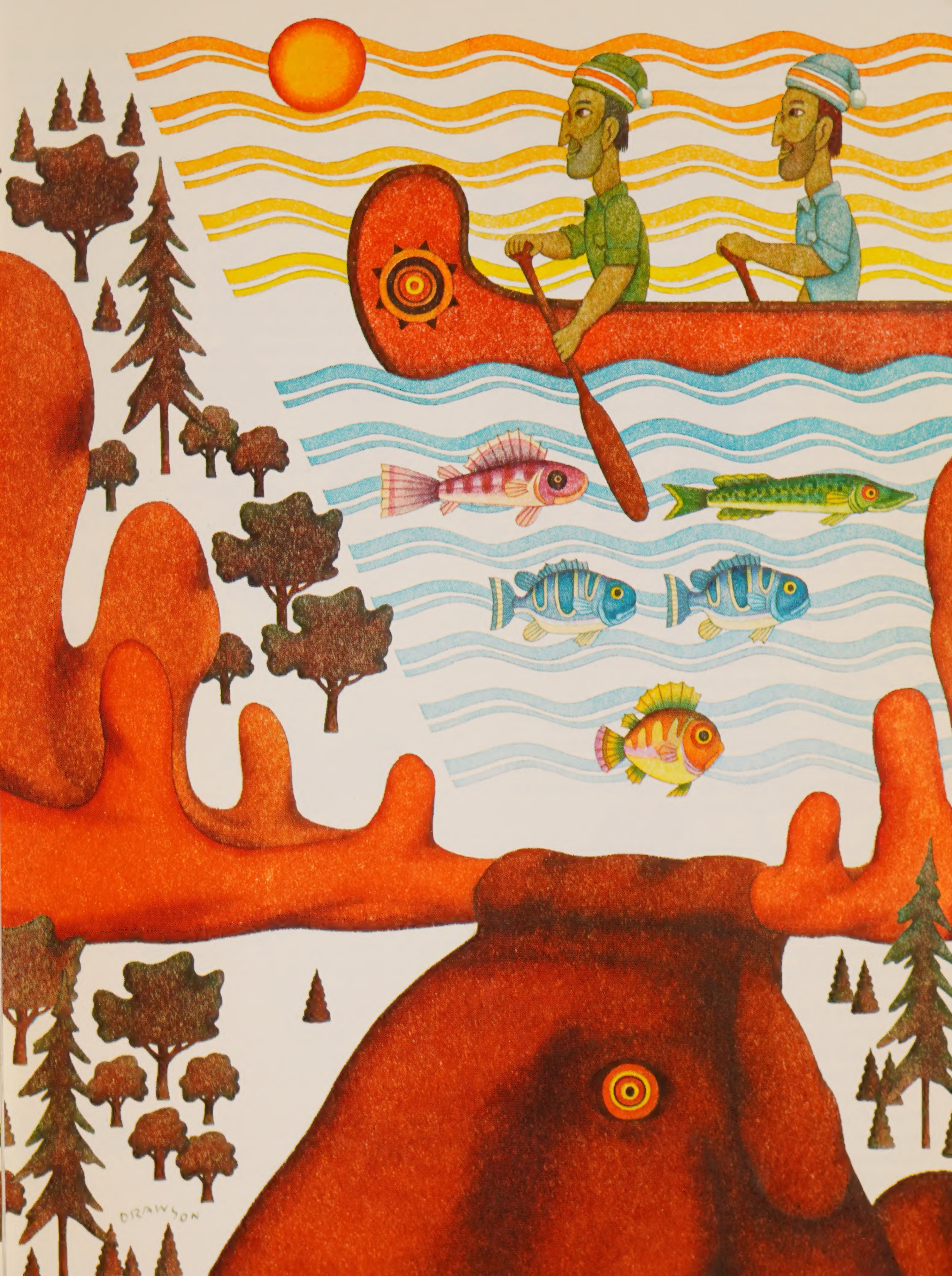
Cottaging is a major factor in Ontario tourism. There are about 250,000 cottages. Some 50 million person-days are spent at cottages and spending by cottagers is estimated at roughly $200 million annually.

"Framework for Opportunity" thoroughly reviews the province's accommodation facilities including location, quantity and seasonality.

D. Information Services

Numerous public and private organizations supply information in the form of advertising, books, pamphlets, guides, information centres and travel counsellors. The Ministry of Industry and Tourism plays an important role in promoting and encouraging travel in Ontario. Promotion in tourism is undertaken in the United States, overseas, as well as in Ontario and the rest of Canada. In addition, tour packages are developed and promoted.

"Framework for Opportunity" suggests ways by which the private sector can work with the Province to co-ordinate tourist information services.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E. Transportation

Without travel, there would be no tourism industry.

The automobile is by far the most important means of transportation used by both Ontario residents and U.S. visitors, accounting for about 85% of all tourist travel in the province. Visitors from other provinces use cars about 50% of the time and airplanes about 40%.

Buses account for about 5% of tourist travel. Scheduled day trips permit the tourist to use the bus to visit a particular destination without being committed to an organized tour. Local sightseeing tours are also important. Older age groups tend to use the bus more than younger groups. There may be a shift to bus travel with the increasing cost of operating an automobile.

Trains account for a small share of tourist travel. The decline in rail travel is well known but there is currently underway serious re-examination of rail service particularly on densely travelled routes. Rail service offers a style of travel that cannot be duplicated by the automobile or airplane.

F. Service Centres

Service centres provide tourists with accommodation, food, gift shops, gasoline stations, entertainment, etc. They are also the location of suppliers to operators in the tourism industry (food and other wholesalers, laundries, construction companies, etc.).

Cities are the principal locations of such service facilities. Additional development of such services, should be concentrated in the cities. This concentration utilizes existing investments in public services and reinforces the quantity and variety of services available to the tourist and tourism operator.

G. Population Labour Force

This element is not only a resource component in terms of labour supply but is also the consumer of the tourism product.

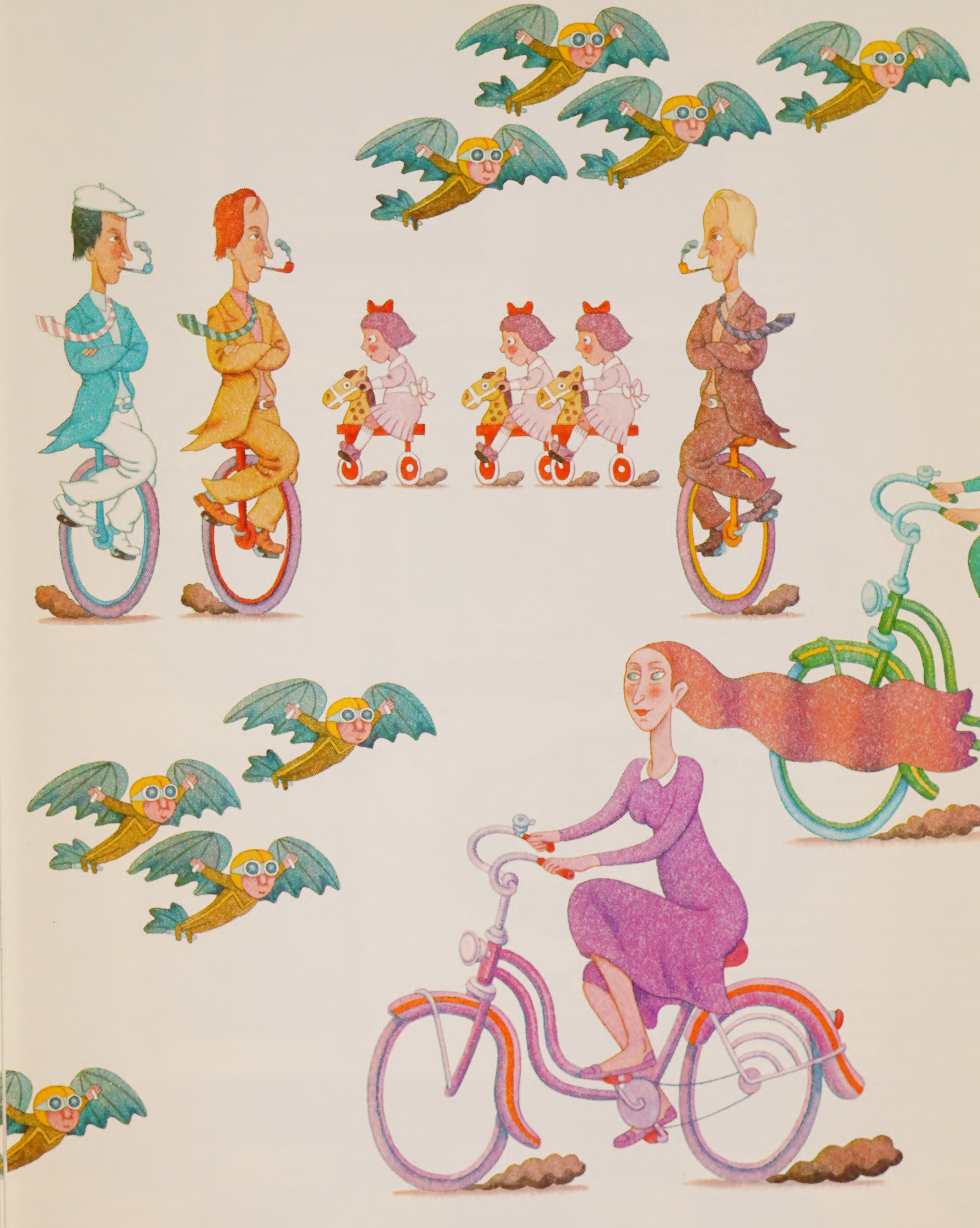
The rate of population growth in Ontario is forecast to slow down; the average age will increase; and the cities will increase their share of the province's population (especially in Southern Ontario).

Since major attractions must draw on nearby centres of population, they are likely to be established near and in larger cities and probably near Southern Ontario centres.

The varied cultural and ethnic backgrounds of Ontario's population offer opportunities for tourism development based on themes concerned with food, arts and crafts, costumes, architecture and local community history and traditions. The provincial government has invested heavily in attractions founded to preserve and highlight the province's history.

Visiting friends and relatives is a strong reason for travel; hence a large population centre generates its own market.

Tourism is a labour intensive industry. It is also seasonal and part-time. Some jobs are unskilled and some pay scales are low relative to other trades. The larger centres of population can generally best meet such labour requirements. The growth in real incomes, improvements in educational levels, restrictions on immigration and legislation increasing minimum wages will oblige the tourism industry to search constantly for means to increase its worker productivity.



Tourism Markets

Where do the tourists come from? Where do the tourists go when they get here? How do they travel? Do they stay overnight? Are they visiting friends or relatives? What activities do they take part in? How much do they spend?

It is basic to the process of identifying an approach to tourism development that existing and potential demand must be thoroughly evaluated. Destination areas with high visitation levels have been identified and evaluated in terms of activities, visitor origin, spending and travel habits. The following table presents the overall picture.

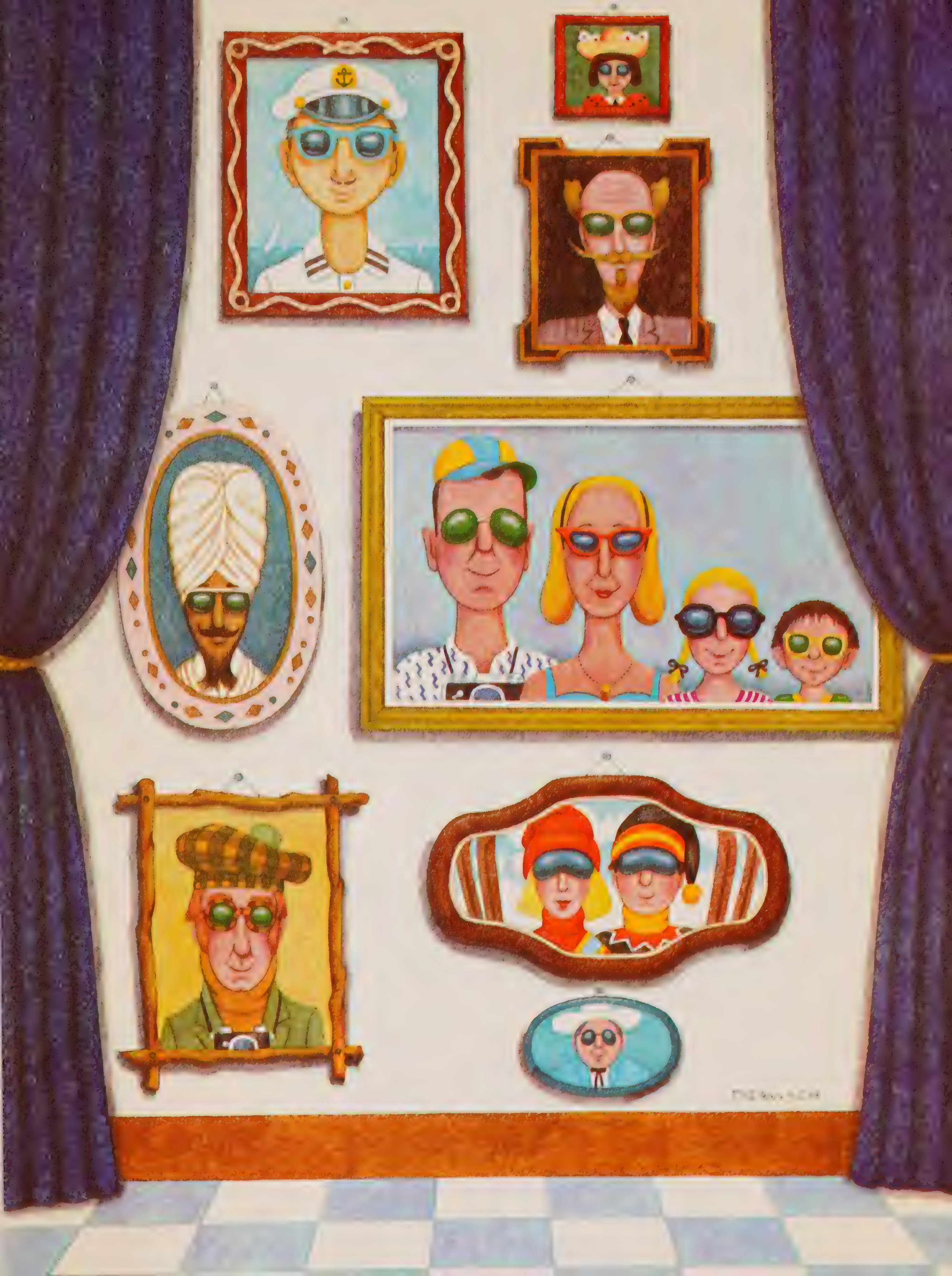
Origin of Tourist	Person-Visits		Expenditures		
			Total		Per Visit
	millions	%	$ millions	%	$
Ontario	67.8	66.7	1,288	50	19
U.S.A.	22.4	22.0	734	29	33
Rest of Canada	10.8	10.6	334	13	31
All other	0.7	0.7	212	8	290
Total	101.7	100	2,568	100	25

"Framework for Opportunity" analyzes tourist origins, destinations, spending and activities. Highlights of this analysis include:

- Toronto, Niagara Falls and Windsor are destination areas with the highest number of visitors.
- Areas bordering on the United States or other Canadian provinces show a higher proportion of non-Ontario visitors.
- Spending is highest in regions having large urban centres.
- Activities by Ontario residents are led by cottaging, boating, fishing and camping.
- Hunting is important in the Northwestern region.
- Attending special events, recreational driving, visiting a museum, art gallery, historical sites or displays are important activities in Central Ontario.
- U.S. visitors participate heavily in outdoor recreation activities, viewing Niagara Falls, visiting friends and relatives and going to their own cottages.
- Most U.S. residents travelling by car do not venture far out of the area of their point of entry. There is challenge here to persuade the U.S. tourist to venture further "inland".
- Visiting friends and relatives is an important activity of Canadians from other provinces.

"Framework for Opportunity" also analyzes probable future market conditions:

- Ontario residents will remain the most important source of demand.
- Quebec and Manitoba – (Ontario's two neighbouring provinces) have potential for greater development.
- The United States – by virtue of its proximity and population, must be regarded as a high priority market.
- The United Kingdom – large market which could be further developed if economic conditions improve; presently this market's major activity is visiting friends or relatives, but there is evidence that other activities have appeal.
- Germany – a large and rapidly growing overseas market; has proven potential; activities which so far have appealed to this market are primarily outdoor recreation oriented.
- The Netherlands – a small market but has demonstrated potential; currently primary activity is visiting friends or relatives.
- Japan – has developed as a market because of initial exposure of Japanese businessmen; present activities relate to urban-centred tours, but are expected to expand gradually as Ontario becomes more familiar to this group.
- Italy – although a large market, potential is so far limited because prime activity is visiting friends and relatives; low participation in other activities which generate higher revenues.



Development Guidelines for Tourism

Basic Guidelines

(i) Any approach to develop tourism in Ontario must reflect the Province's basic social and economic policies.

The Ministry of Treasury, Economics & Intergovernmental Affairs of Ontario suggests broad policies and goals in its paper "Design for Development, Ontario's Future: Trends and Options". Briefly, this paper recognizes that:

– tourism and recreation are vital components of the social and economic fabric of the province,
– both the public and private sectors have important roles to play in providing opportunities for tourism and recreation,
– the environment must be protected against intrusive impacts.

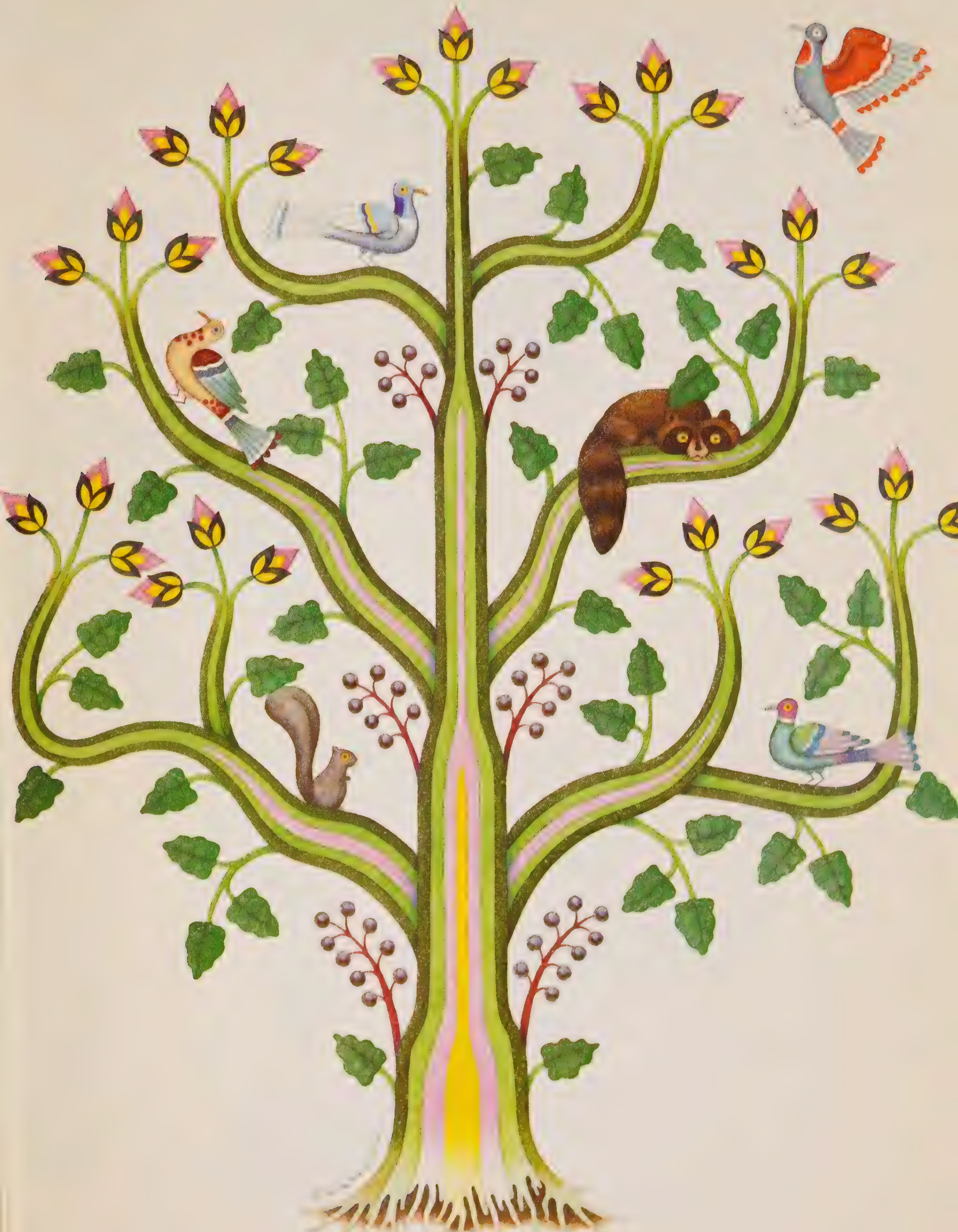
(ii) The policies and guidelines of other Ontario Government ministries also affect tourism and must be recognized in tourism development. Careful attention has been devoted to these policies and guidelines so that development will be consistent with and recognize the policies and priorities of other ministries.

(iii) Proposed tourism development must be designed so that the positive economic, social and environmental impacts are maximized and, where possible, negative impacts are avoided or minimized.

Tourism Development Guidelines

(i) Clustering of attractions and events, activities and support services should be more efficient than dispersed development.
(ii) Development must be comprehensive. All components of tourism supply and their inter-relationships must be considered. This will provide a higher level of service to the tourist and a higher probability of success to the entrepreneur.

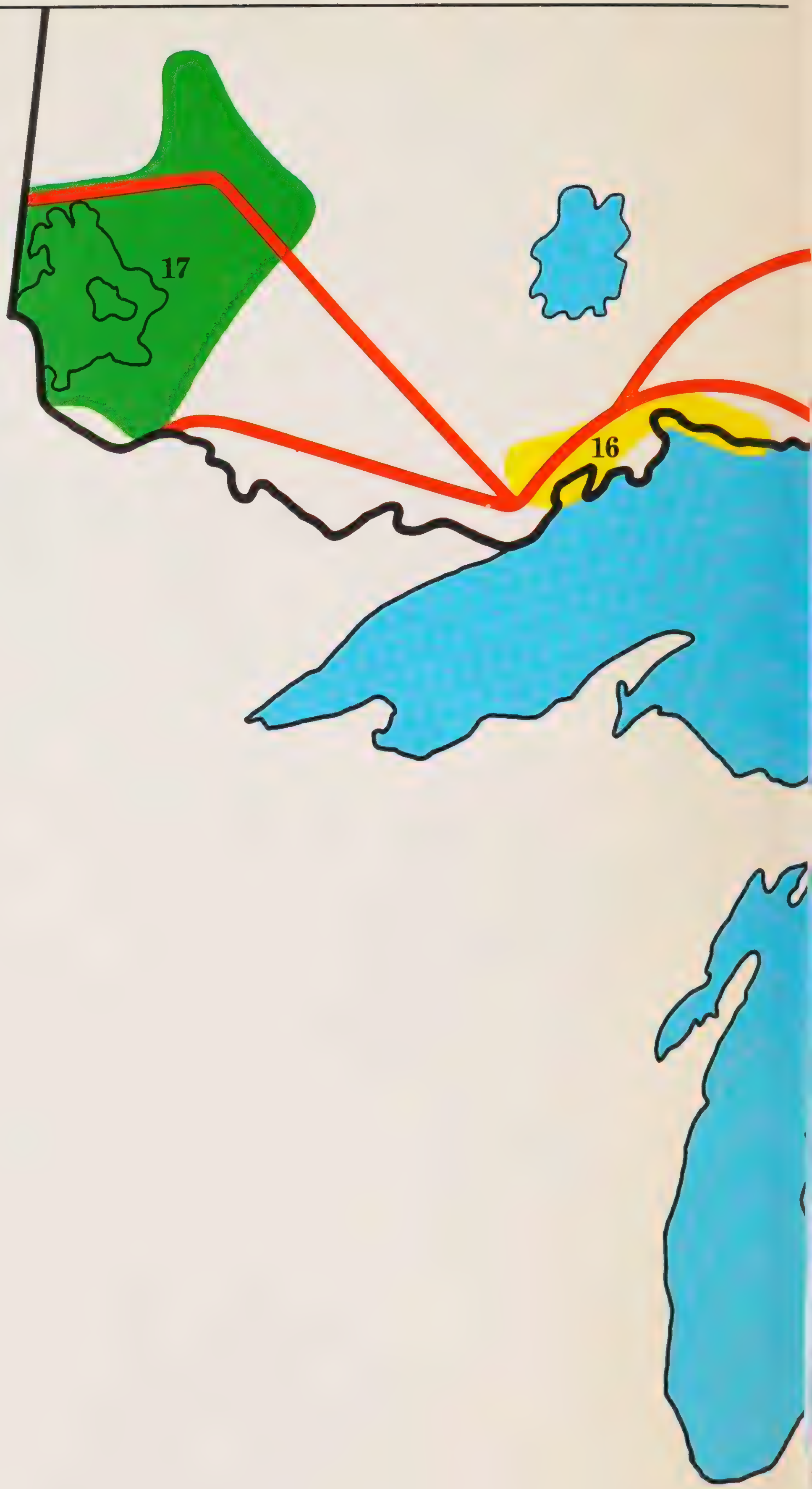
Adherence to these Basic Guidelines and Tourism Development Guidelines should result in more efficient use of private and public resources in tourism development and encourage development consistent with the Province's social and economic policies.



A Strategy for Tourism Development

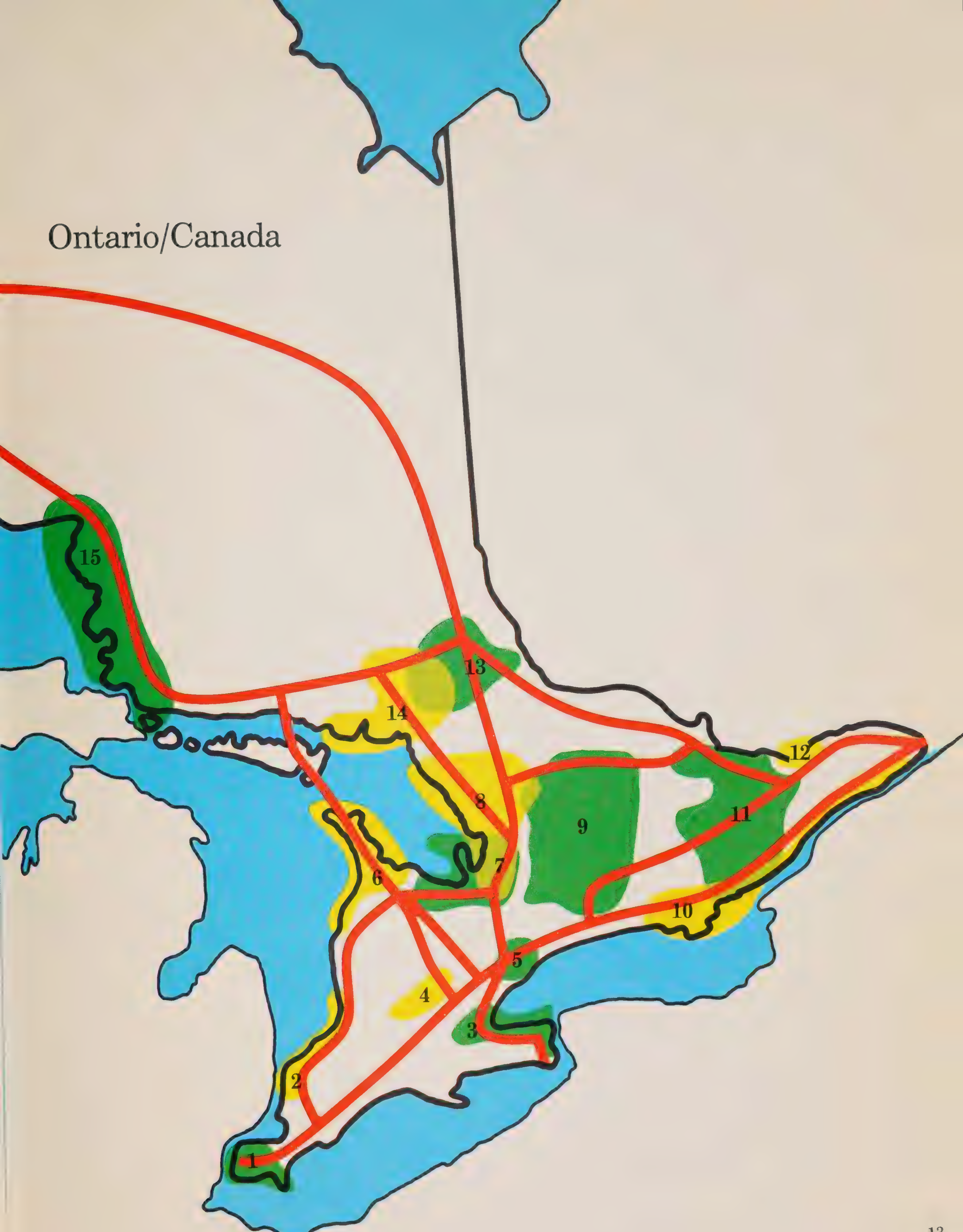
"Framework for Opportunity" outlines a suggested strategy for tourism development, based on a concept of Tourism Development Zones, connected by Touring Corridors and supported by a Tourism Hinterland.

This map demonstrates just what the Zone/Corridor System looks like in Ontario. On the pages following is a synopsis of each of the 17 zones.



1 Windsor – Point Pelee
2 Sarnia – Bayfield
3 Niagara – Brantford
4 Kitchener – Stratford
5 Toronto
6 Bruce Peninsula
7 Collingwood – Midland – Orillia
8 Parry Sound – Huntsville – Barrie
9 Peterborough – Haliburton
10 Trenton – Cornwall
11 Renfrew – Kingston
12 Ottawa
13 North Bay
14 Sudbury
15 Sault Ste. Marie – Wawa
16 Thunder Bay
17 Kenora – Rainy River

Ontario/Canada



Tourism Development Zones

Each Tourism Development Zone consists of a set of attractions, services and transportation routes. The zone contains a sufficient concentration of these factors to create a separate identity. It is believed that each zone has potential for further successful development which will encourage more visits, longer stays and more expenditures.

Seventeen Tourism Development Zones are identified. These 17 zones account for 75 to 80 per cent of total tourism spending in the Province. Note that the zone boundaries are general only. Overlapping of zone boundaries occurs in some areas where there is a sharing of services. As the zones become more fully developed, their boundaries will expand to take advantage of the resources in the Hinterland.

"Framework for Opportunity" lists criteria for the selection of Tourism Development Zones. It presents comments and statistics for each of the 17 Zones, as well as possible themes and activities.

Connecting Touring Corridors

These are areas which link the Tourism Development Zones. They are a scenic, convenient and efficient way of moving from zone to zone and from zones to border entry points. They may utilize rail and air lines, waterways and roads.

Tourism Hinterland

The Tourism Hinterland includes all areas outside of Tourism Development Zones and Touring Corridors. Tourism development occurring in the Hinterland should be of two main types:

(i) Services for tourists who purposely search for untravelled areas, and for commercial travellers. Such development would usually be small scale and feature basic travel services such as accommodation, food and fuel.

(ii) Services for specialized activities which are unlikely to occur within the Tourism Development Zones. Outpost camps for fly-in hunting, fishing and canoeing, are examples. Base operations, however, should preferably be located within the Development Zones to take advantage of the concentration of services.

Tourism Development Zone Summaries

Zone 1
Windsor-Point Pelee

	Visitor Origin %	Visitor Spending ($ millions)
Ontario	22	14
Rest of Canada	3	6
U.S.A.	75	68
Total		87
Ranking (out of 17 zones)		5

Characteristics
– activity centred in Windsor and Lake Erie shoreline
– mix of small scale events and natural, historical attractions
– year round urban appeal (Windsor)
– major U.S. entry point
– high proportion of short term visits

Opportunities
– increasing length of stay via development of large scale attractions
– opportunities for expansion of urban tourism activities
– off-peak season events require consideration
– marina services can be developed

Zone 2
Sarnia-Bayfield

	Visitor Origin %	Visitor Spending ($ millions)
Ontario	49	9
Rest of Canada	3	1
U.S.A.	48	9
Total		20
Ranking (out of 17 zones)		15

Characteristics
– natural resource base (Lake Huron shoreline)
– intensive and extensive outdoor activities
– good year round access to zone
– seasonal support facilities
– entry point from U.S.

Opportunities
– should capitalize on summer visits and pass-through traffic by improving and developing water oriented support services.
– Sarnia's urban centre appeal could be increased by diversifying shopping, entertainment and dining facilities

Zone 3
Niagara-Brantford

	Visitor Origin	Visitor Spending
	%	($ millions)
Ontario	47	66
Rest of Canada	6	24
U.S.A.	47	139
Total		228
Ranking (out of 17 zones)		2

Characteristics
- outstanding concentration of natural and man-made attractions, events, and festivals, clustered around zone's service centres
- seasonal activity on Lake Erie shoreline
- major point of entry from U.S.
- visits concentrated in summer
- improvement needed in quality of accommodation facilities
- some accommodation costs are excessive

Opportunities
- year round destination area
- continuing success depends on; preservation, integration, winterizing, increasing length of stay, decentralizing visits and improving accommodations

Zone 4
Kitchener-Stratford

	Visitor Origin	Visitor Spending
	%	($ millions)
Ontario	93	29
Rest of Canada	2	2
U.S.A.	5	7
Total		39
Ranking (out of 17 zones)		10

Characteristics
- numerous towns dispersed in a pleasant rural landscape
- numerous attractions and festivals (cultural & ethnic)
- Kitchener - Waterloo, rich in attractions and events
- Stratford, home of world famous Shakespearean festival
- excellent access to zone all year round
- visits of short duration and seasonal

Opportunities
- continued appeal of small town/ rural landscape atmosphere
- total theme development to integrate these components (mai ethnic, religious, historical and present day agricultural)

Zone 5
Toronto

	Visitor Origin %	Visitor Spending ($ millions)
Ontario	76	181
Rest of Canada	10	34
U.S.A.	14	161
Total		376
Ranking (out of 17 zones)		1

Characteristics
– capital of Ontario (financial, cultural and governmental)
– an exciting, safe, friendly cosmopolitan city
– Lake Ontario shoreline, Toronto islands, downtown shopping core, Ontario Science Centre, Ontario Place, CN Tower, museums and art galleries
– a major service centre
– excellent year round access
– year round visits by all market groups
– a highly sophisticated internal transportation network

Opportunities
– Toronto will continue to be internationally famous urban destination centre and distribution point
– more airlinks with distant markets
– improved fly-drive services
– increased winter visits
– integration of tourism themes
– development of urban experience, waterfront, historical attractions and ethnic population concentrations

Zone 6
The Bruce Peninsula

	Visitor Origin %	Visitor Spending ($ millions)
Ontario	96	14
Rest of Canada	1	0.3
U.S.A.	3	1
Total		15
Ranking (out of 17 zones)		17

Characteristics
– abundant shoreline features
– Niagara escarpment
– relatively undeveloped interior
– seasonal access, seasonal facilities
– inadequate development and lack of accommodation, shopping, entertainment, dining, man-made attractions and tours

Opportunities
– development of boating, outdoor recreation, cottaging and camping
– improvement of nearly all existing characteristics
– potential themes, activities based on fishing, lumbering, nuclear power
– construction of proposed Five Fathom Provincial Park, an under-water attraction gives impetus to development of all related activities
– winter season opportunities exist in skiing, (cross country) snowmobiling and year round resorts

Zone 7
Collingwood-Midland-Orillia

	Visitor Origin	Visitor Spending
	%	($ millions)
Ontario	92	30
Rest of Canada	4	3
U.S.A.	3	5
Total		39
Ranking (out of 17 zones)		9

Characteristics
– great variety of intensive and extensive activities (winter & summer)
– ready access from Toronto
– summer shoreline attractions (Lake Simcoe & Georgian Bay)
– historical development on Midland Peninsula
– relatively little interior development
– year round support facilities
– excellent summer access (more difficult in winter)

Opportunities
– will remain a popular outdoor recreation area
– a mix of recreation opportunities based on natural resources
– quality of all services requires improvement
– emphasis on dining and accommodation

Zone 8
Parry Sound-Huntsville-Barrie

	Visitor Origin	Visitor Spending
	%	($ millions)
Ontario	90	67
Rest of Canada	6	7
U.S.A.	4	22
Total		96
Ranking (out of 17 zones)		4

Characteristics
– rugged landscape
– water features
– existing development concentrated along varied shorelines of lakes
– some large scale resorts
– second residences
– campgrounds
– summer oriented resort facilities
– good year round access

Opportunities
– improved accommodation and dining facilities
– year round resorts
– well groomed cross country ski areas
– high potential for development around natural resource base and historical resources
– increasing cottage use in off-peak seasons
- balance between development use and environmental quality

Zone 9
Peterborough-Haliburton

	Visitor Origin	Visitor Spending
	%	($ millions)
Ontario	94	70
Rest of Canada	2	2
U.S.A.	4	12
Total		84
Ranking (out of 17 zones)		6

Characteristics
- development largely centred in southern sector
- tourism based mainly on natural environment
- high capability for all outdoor summer activities
- some historical development in Peterborough area
- support facilities highly summer oriented
- access is good in summer, but deteriorates in winter
- inadequate accommodation, especially resorts, support facilities and services
- more and better trails needed for cross country skiing and snowmobiling

Opportunities
- development of natural and historical themes
- northern sector, relatively undeveloped
- further development of present activities

Zone 10
Trenton-Cornwall

	Visitor Origin	Visitor Spending
	%	($ millions)
Ontario	41	36
Rest of Canada	38	43
U.S.A.	21	37
Total		117
Ranking (out of 17 zones)		3

Characteristics
- natural shoreline features
- major historical cultural and educational attractions and events
- mix of man-made and natural attractions
- good year round service centres in Kingston and Cornwall
- high proportion of 1 day visits (3 border crossings)

Opportunities
- development of historical, industrial and natural resource themes
- cottaging
- upgraded attractions, events and support facilities and services
- expansion into off-peak seasons

Zone 11 Renfrew-Kingston

	Visitor Origin %	Visitor Spending ($ millions)
Ontario	52	11
Rest of Canada	35	7
U.S.A.	13	5
Total		24
Ranking (out of 17 zones)		14

Characteristics
- rural resort zone
- natural resource base
- highly seasonal resort facilities

Opportunities
- development will move into this zone as others become filled
- increasing resort facilities
- development of service centres
- historical and cultural base
- improvement of food services, entertainment and marina facilities

Zone 12 Ottawa

	Visitor Origin %	Visitor Spending ($ millions)
Ontario	54	34
Rest of Canada	40	38
U.S.A.	6	8
Total		80
Ranking (out of 17 zones)		7

Characteristics
- capital of Canada
- attractive setting on Ottawa and Rideau rivers
- diversity of shopping, dining and entertainment
- excellent skiing in adjacent Quebec
- no direct freeway between Ottawa and Toronto
- limited air links to major cities except Toronto and Montreal

Opportunities
- attractive to a variety of markets
- focus on business/convention trade
- stronger identity as nation's capital
- development of historical, political, French cultural and urban themes
- many winter opportunities (skating on Rideau Canal, cross country skiing and winter events)

Zone 13
North Bay

	Visitor Origin	Visitor Spending
	%	($ millions)
Ontario	78	18
Rest of Canada	7	2
U.S.A.	15	9
Total		29
Ranking (out of 17 zones)		12

Characteristics
- excellent natural resource base
- small and seasonal tourism development
- support facilities need improvement
- main tourism activities are water-based
- reasonable year round access

Opportunities
- expansion of summer recreation facilities
- encouragement of family and pass-through visits
- upgrading of resorts and improvement of variety and nature of attractions
- creation of destination area image

Zone 14
Sudbury

	Visitor Origin	Visitor Spending
	%	($ millions)
Ontario	85	13
Rest of Canada	11	2
U.S.A.	4	3
Total		18
Ranking (out of 17 zones)		16

Characteristics
- predominently natural resource based including variety of water settings
- good potential for year round activity
- tourist development is small scale, seasonal, water oriented
- French Canadian cultural influence in main service centre (Sudbury)
- good summer access: winter access sometimes limited to major roads

Opportunities
- summer vacation destination
- winter opportunities and wilderness resorts
- development of small business meeting market
- development of more distinctive overall image
- preservation of natural wilderness setting, through environment-sensitive planning
- family-oriented recreation experience

Zone 15
Sault Ste. Marie-Wawa

	Visitor Origin %	Visitor Spending ($ millions)
Ontario	62	16
Rest of Canada	9	5
U.S.A.	29	17
Total		37
Ranking (out of 17 zones)		11

Characteristics

– variety of natural resources with outstanding potential
– finest shorelines and inland scenery in Ontario
– historical and cultural resources
– major service centre (Sault Ste. Marie) supplies tourism industry, supports hunting, fishing, fly-in services
– high proportion of spending by U.S. visitors, but short length of stay

Opportunities

– improvement of air and rail service
– development of urban year round attractions
– establishment of strong zone identity
– diversification and improvement of existing tourist plant

Zone 16
Thunder Bay

	Visitor Origin %	Visitor Spending ($ millions)
Ontario	70	13
Rest of Canada	20	7
U.S.A.	10	4
Total		24
Ranking (out of 17 zones)		13

Characteristics

– mix of natural resources and urban development
– fine natural resource base
– outdoor activities (fishing, cottaging, boating, skiing)
– historical resources (Old Fort William)
– service centre (Thunder Bay) provides both essential and indirect services
– zone supports a number of fly-in operations (hunting and fishing)

Opportunities

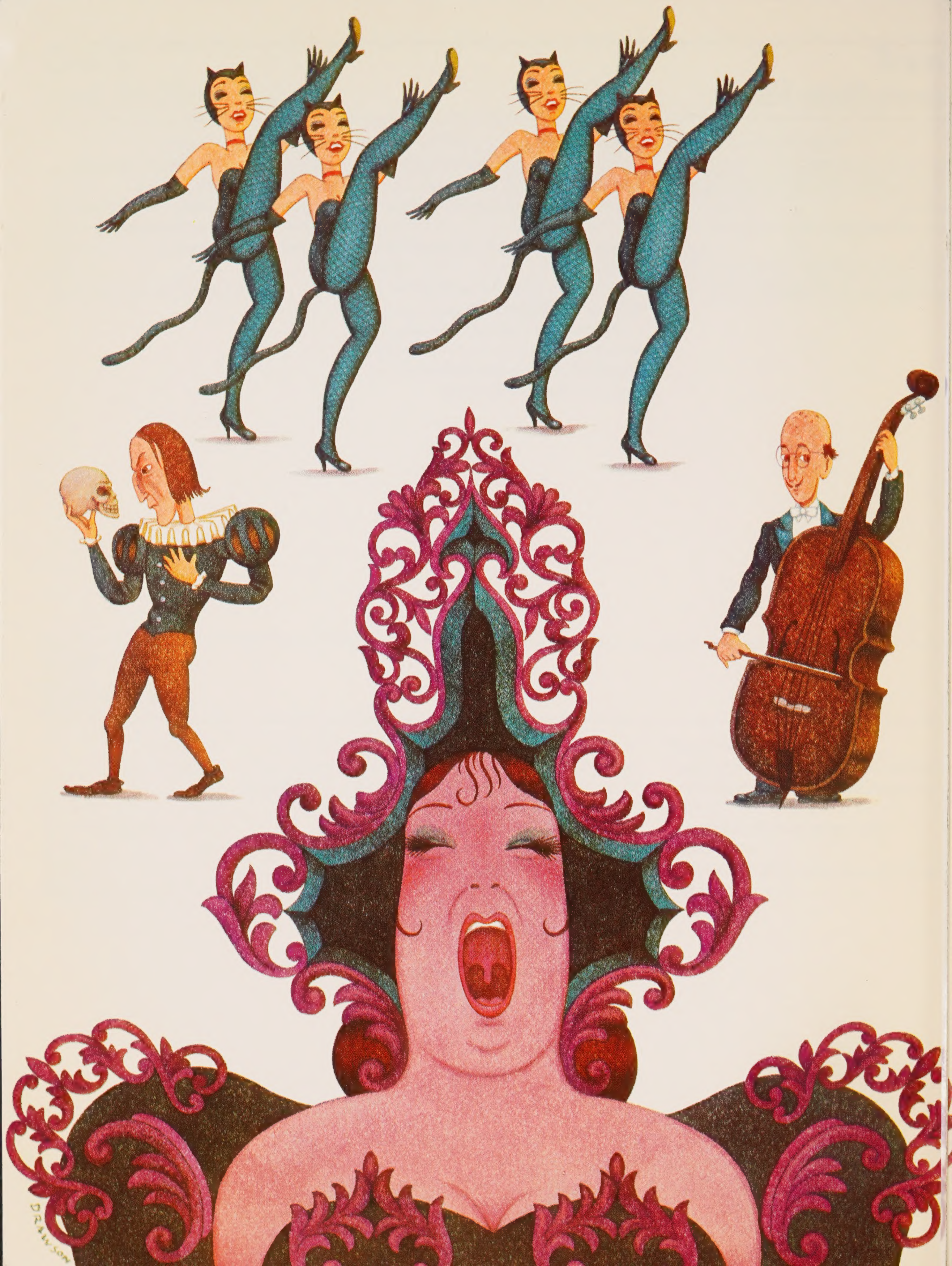
– good winter opportunities available
– development of natural resource base
– creation of more man-made attractions
– more complete theming of existing attractions

Zone 17
Kenora-Rainy River

	Visitor Origin %	Visitor Spending ($ millions)
Ontario	5	2
Rest of Canada	70	33
U.S.A.	25	17
Total		52
Ranking (out of 17 zones)		8

Characteristics
– high capacity for water-based activities (boating, canoeing)
– good natural resource base (four Provincial Parks)
– summer access, excellent, winter travel, poor
– high proportion of non-Ontario visitors (Manitoba, U.S.A.)
– distant from major population centres
–concern for water pollution
– support facilities lacking

Opportunities
– further development of summer oriented activities (sailing, houseboating, wilderness fishing)
– more events to support good natural resource base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How to Order

"Framework for Opportunity", as this synopsis demonstrates, will be a valuable tool to any investor interested in tapping the tourism potential in Ontario.

The Ministry of Industry and Tourism will be happy to send you copies of the complete two volume report. We are at your disposal for in-depth discussions concerning tourism investment opportunities.

Copies of the complete two volume study are available from:

Framework for Opportunity Report
Division of Tourism
Ministry of Industry and Tourism
Hearst Block, Queen's Park
Toronto, Canada M7A 2E5

Price: $25.00 per set of two volume complete report. (Cheques or money orders should be made payable to the Treasurer of Ontario.)

PRINTED IN ONTARIO/CANADA 5-77-5M

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